

# Tsubakimoto Chain Co.

## FY2022 Q2 Settlement of Accounts

### <Agenda>

Contents	Presenters	Time
<ul style="list-style-type: none"><li>• FY 2022 Second Quarter Results</li><li>• Topics</li></ul>	Takatoshi Kimura President and COO Representative Director	35 mins
<ul style="list-style-type: none"><li>• Q&amp;A</li></ul>	President, Executive Officers in Charge of Business Operations and Financial Affairs	25 mins

---

---

FY2022 Q2  
Settlement of Accounts Business Report

---

---

- Net sales and income increased due to strong performance in the chain business and an increase in foreign currency translation due to the weaker yen. However, operating income margin declined due to higher prices of materials and parts.

(Yen, millions)

	FY 2021	FY 2022	YOY	Forecast (as of May 11, 2022)	
	Q2	Q2	Inc / Dec	Forecast	Inc / Dec
Net sales	102,518	118,933	16.0%	117,000	1.7%
Operating income	8,185	8,375	2.3%	8,600	-2.6%
%	8.0%	7.0%		7.4%	
Ordinary income	9,156	9,889	8.0%	9,200	7.5%
Net income	6,624	6,756	2.0%	6,800	-0.6%
Net income per share	178.96 yen	182.49 yen		183.69 yen	—
(Exchange rates 1 USD)	109.81 yen	134.04 yen		120.00 yen	—
(Exchange rates 1 EUR)	130.88 yen	138.77 yen		135.00 yen	—
(Exchange rates 1 RMB)	16.66 yen	18.96 yen		18.90 yen	—

(Yen, millions)

		FY 2021	FY 2022	YOY	Forecast (as of May 11, 2022)	
		Q2	Q2	Inc / Dec	Forecast	Inc / Dec
Chain	Net sales <sup>*1</sup>	35,348	43,609	23.4%	38,000	14.8%
	Operating income	5,142	6,285	22.2%	5,400	16.4%
	%	14.5%	14.4%		14.2%	
Motion Control	Net sales <sup>*1</sup>	9,539	10,886	14.1%	11,000	- 1.0%
	Operating income	426	745	74.5%	700	6.4%
	%	4.5%	6.8%		6.4%	
Mobility	Net sales <sup>*1</sup>	32,420	36,429	12.4%	38,000	- 4.1%
	Operating income	3,648	2,375	-34.9%	3,200	- 25.8%
	%	11.3%	6.5%		8.4%	
Materials Handling	Net sales <sup>*1</sup>	25,334	28,066	10.8%	30,000	- 6.4%
	Operating income	(221)	(74)	—	300	—
	%	—	—		1.0%	
Other <sup>*2</sup>	Net sales <sup>*1</sup>	1,338	1,477	10.4%	1,000	47.7%
	Operating income	(222)	(265)	—	(300)	—
	%	—	—		—	

\*1: Sales figures include internal sales and transfers between segments.

\*2: "Other" is not a reportable segment.

(Yen, millions)

		FY 2021	FY 2022	YOY
		Q2	Q2	Inc /dec
Americas	Net sales <sup>*</sup>	27,778	37,731	35.8%
	Operating income	1,555	1,535	-1.3%
	%	5.6%	4.1%	
Europe	Net sales <sup>*</sup>	11,904	14,699	23.5%
	Operating income	545	644	18.0%
	%	4.6%	4.4%	
Indian Ocean Rim	Net sales <sup>*</sup>	8,329	9,678	16.2%
	Operating income	1,201	1,143	-4.8%
	%	14.4%	11.8%	
China	Net sales <sup>*</sup>	9,693	10,619	9.6%
	Operating income	641	599	-6.5%
	%	6.6%	5.6%	
South Korea, Taiwan	Net sales <sup>*</sup>	5,147	5,362	4.2%
	Operating income	219	184	-16.3%
	%	4.3%	3.4%	
Japan	Net sales <sup>*</sup>	56,402	58,723	4.1%
	Operating income	3,796	3,629	-4.4%
	%	6.7%	6.2%	

\*Sales figures include internal sales and transfers between segments.

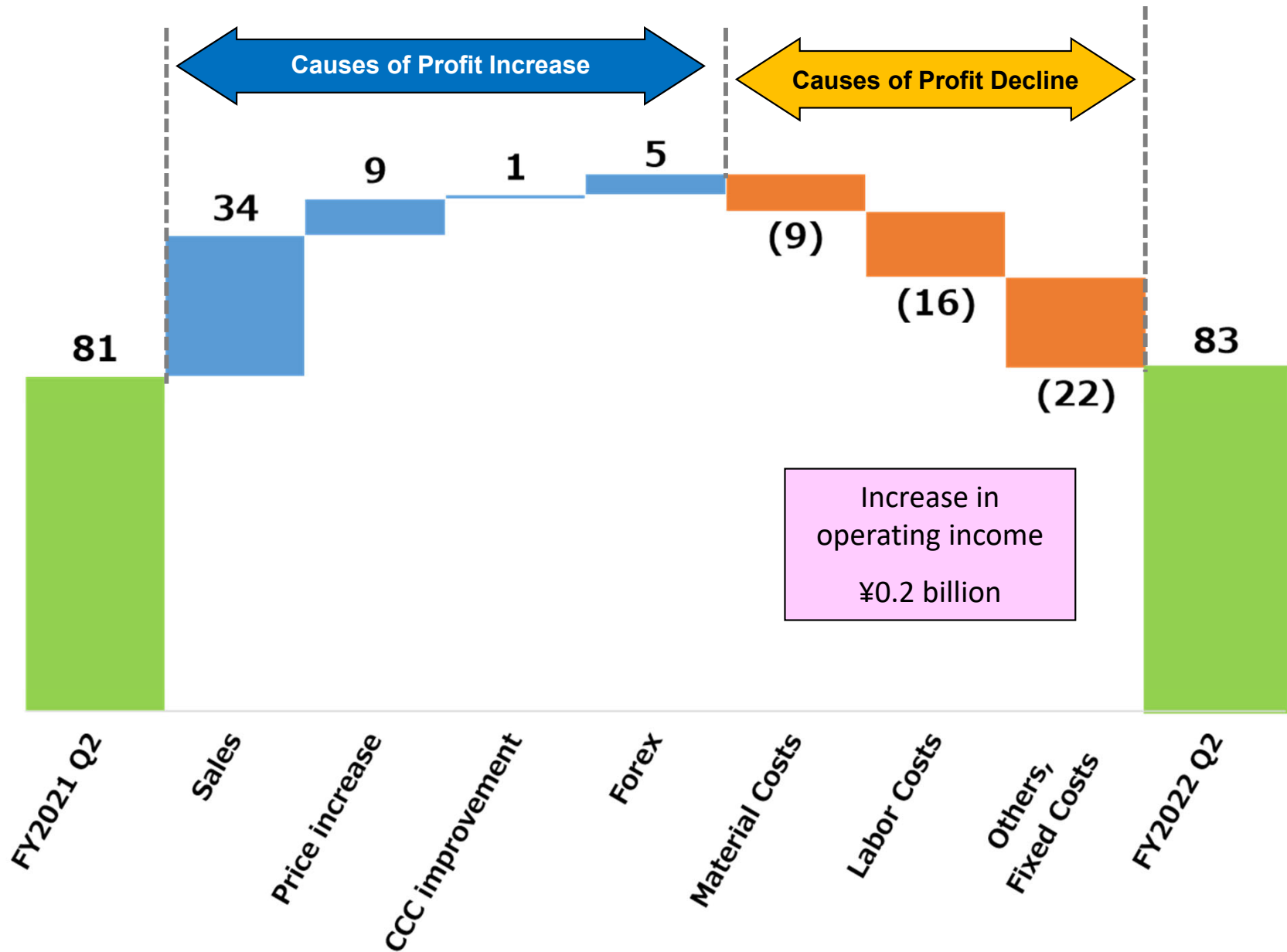
&lt;Actual exchange rates&gt;

	USD	EUR	CAD	AUD	THB	TWD	RMB	KRW	MXN
FY2021 1st half	109.81	130.88	88.30	82.61	3.50	3.92	16.66	0.10	5.34
FY2022 1st half	134.04	138.77	103.85	93.60	3.65	4.47	18.96	0.10	6.08

# Analysis of Inc/Dec in Consolidated Operating Income

■ FY 2021-1H vs. FY 2022-1H

(Unit: ¥100 million)

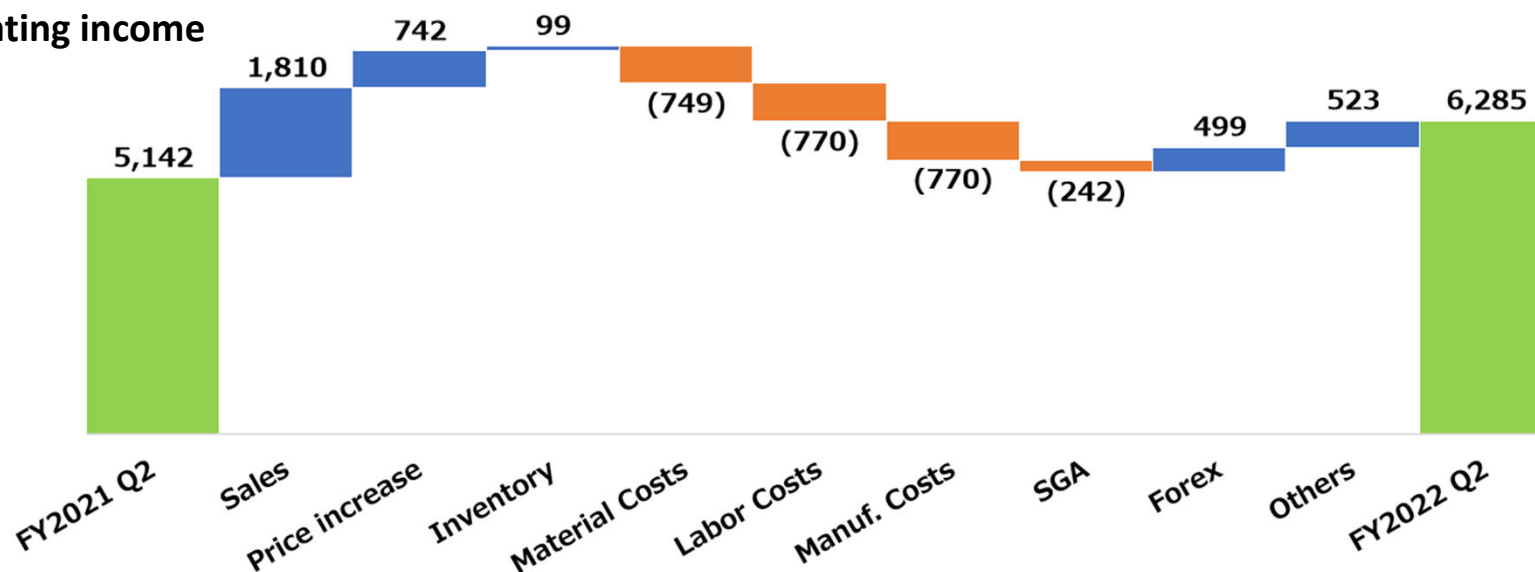


\*1: Sales figures include internal sales and transfers between segments.

(Yen, millions)

		FY 2021	FY 2022	YOY	Forecast (as of May 11, 2022)	
		Q2	Q2	Inc / Dec	Forecast	Inc / Dec
Chain	Net sales <sup>*1</sup>	35,348	43,609	23.4%	38,000	14.8%
	Operating income	5,142	6,285	22.2%	5,400	16.4%
	%	14.5%	14.4%		14.2%	

Causes of change in operating income



〈YOY〉

Sales and income increased due to strong orders in Japan, the Americas, Europe, and the Indian Ocean Rim.

〈Comparison with May 11 Forecast〉

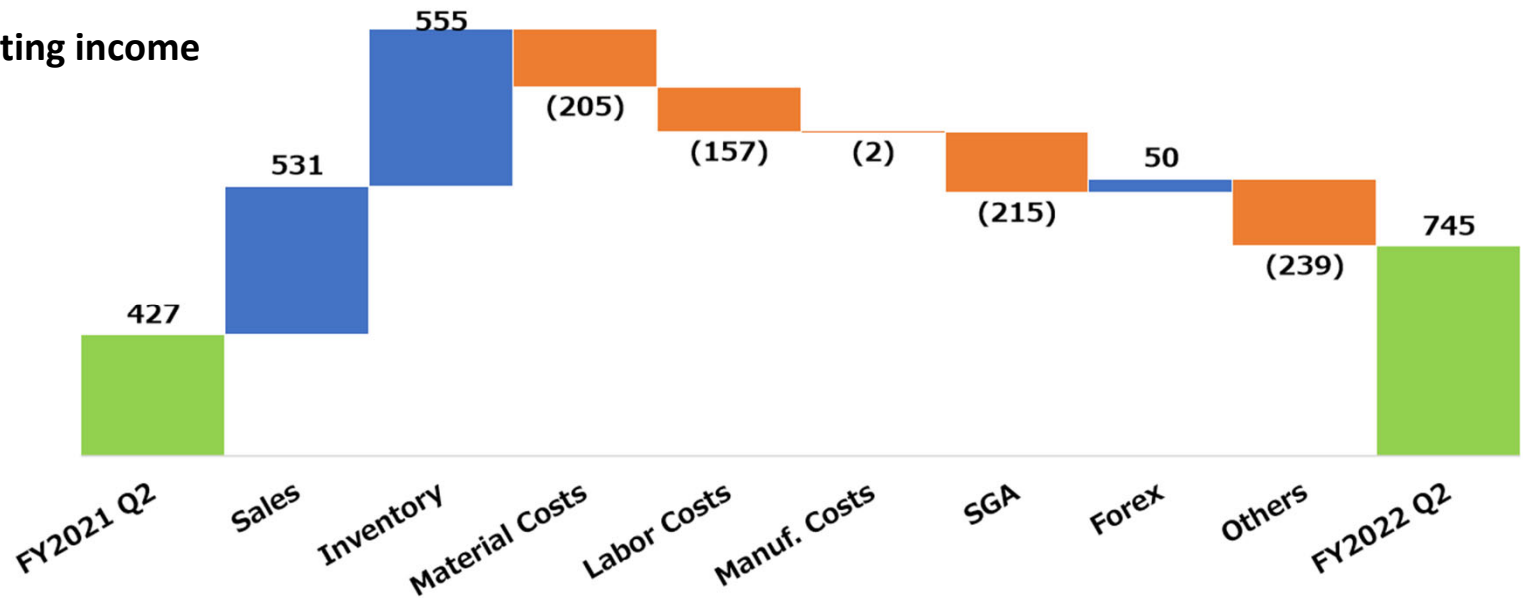
Sales increased due to strong sales in Japan and the U.S. Operating income increased as a result of continued focus on cost reduction.

\*1: Sales figures include internal sales and transfers between segments.

(Yen, millions)

		FY 2021	FY 2022	YOY	Forecast (as of May 11, 2022)	
		Q2	Q2	Inc / Dec	Forecast	Inc / Dec
MC	Net sales <sup>*1</sup>	9,539	10,886	14.1%	11,000	-1.0%
	Operating income	426	745	74.5%	700	6.4%
	%	4.5%	6.8%		6.4%	

Causes of change in operating income



〈YOY〉

Sales and income increased in all regions except South Korea and Taiwan.

〈 Comparison with May 11 Forecast 〉

Due to difficulties in parts supply, especially in Japan, sales did not reach the target, but income was secured.

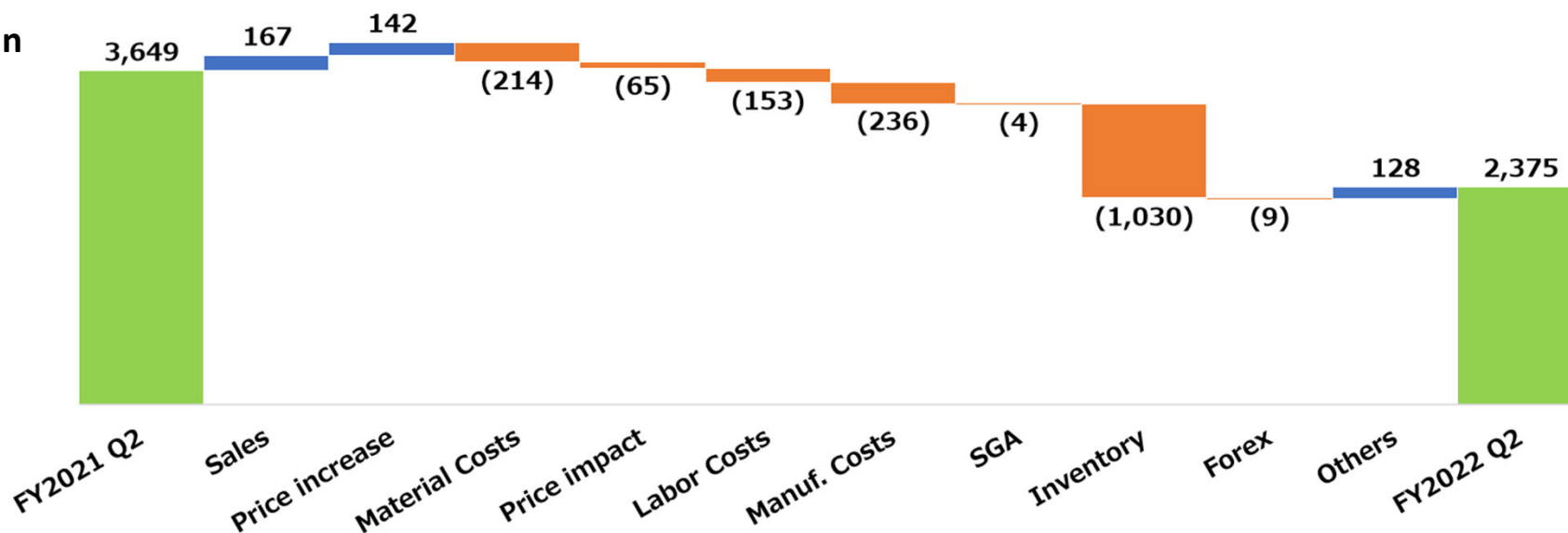


\*1: Sales figures include internal sales and transfers between segments.

(Yen, millions)

		FY 2021	FY 2022	YOY	Forecast (as of May 11, 2022)	
		Q2	Q2	Inc / Dec	Forecast	Inc / Dec
Mobility	Net sales *1	32,420	36,429	12.4%	38,000	-4.1%
	Operating income	3,648	2,375	- 34.9%	3,200	-25.8%
	%	11.3%	6.5%		8.4%	

Causes of change in operating income



〈YOY〉

Sales increased in the Americas, Europe, and South Korea due to improved market demand, despite the difficult situation caused by the decline in automobile production and the impact of the Shanghai lockdown in China. Income decreased due to higher raw material prices and other costs.

〈Comparison with May 11 Forecast〉

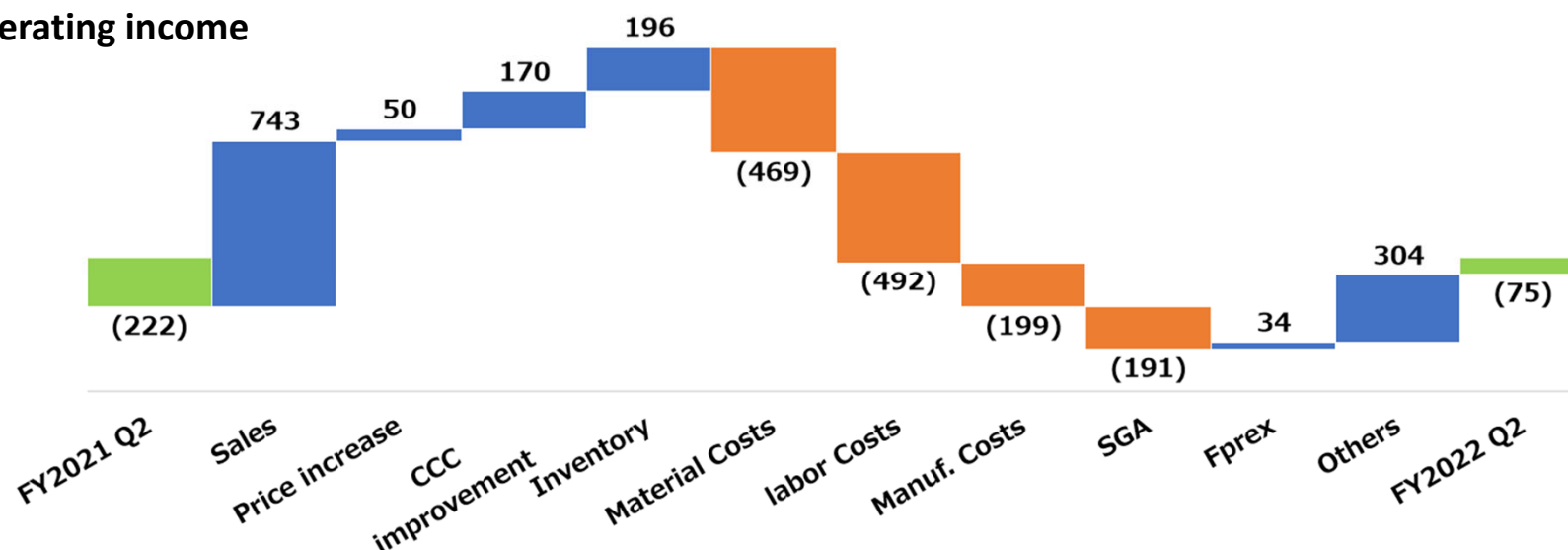
Sales decreased due to lower-than-expected growth in automobile production. Profit decreased due to higher costs.

\*1: Sales figures include internal sales and transfers between segments.

(Yen, millions)

		FY 2021	FY 2022	YOY	Forecast (as of May 11, 2022)	
		Q2	Q2	Inc / Dec	Forecast	Inc / Dec
Materials Handling	Net sales *1	25,334	28,066	10.8%	30,000	-6.4%
	Operating income	-221	-74	—	300	—
	%	—	—		1.0%	

## Causes of change in operating income



## 〈YOY〉

Sales of systems for the logistics industry in Japan and the automobile industry in the U.S. declined, but sales of Mayfran business in Japan, the Americas, and Europe increased and losses were reduced.

## 〈Comparison with May 11 Forecast〉

Sales and income decreased mainly due to a decrease in sales to the logistics industry in Japan.

---

---

# FY2022 Consolidated Forecast

---

---

- Despite the continued strong performance of the chain business and the effect of yen depreciation, the forecasts were kept the same due to strong upward pressure on costs.

(Yen, millions)

	FY2021	FY2022			YOY
	Actual	1st half (Actual)	2nd half (Forecast)	Full year (Forecast)	Inc / Dec
Net sales	215,879	118,933	121,067	240,000	11.2%
Operating income	17,842	8,375	11,625	20,000	12.1%
%	8.3%	7.0%	9.6%	8.3%	
Ordinary income	20,045	9,889	10,711	20,600	2.8%
Net income	14,543	6,756	8,144	14,900	2.5%
Net income per share	392.88 yen	182.49 yen	220.01 yen	402.50 yen	—
(Exchange rates 1 US\$)	112.40 yen	134.04 yen	140.00 yen	137.02 yen	—
(Exchange rates 1 EUR)	130.55 yen	138.77 yen	140.00 yen	139.39 yen	—
(Exchange rates 1 RMB)	17.04 yen	18.96 yen	20.00 yen	19.54 yen	—

(Yen, millions)

		FY 2021	FY 2022			YOY
		Actual	1st half (Actual)	2nd half (Forecast)	Full year (Forecast)	Inc / Dec
Chain	Net sales <sup>*1</sup>	74,174	43,609	43,891	87,500	18.0%
	Operating income	11,005	6,285	6,715	13,000	18.1%
	%	14.8%	14.4%	15.3%	14.9%	
Motion Control	Net sales <sup>*1</sup>	19,906	10,886	10,114	21,000	5.5%
	Operating income	1,129	745	955	1,700	50.6%
	%	5.7%	6.8%	9.4%	8.1%	
Mobility	Net sales <sup>*1</sup>	66,027	36,429	39,571	76,000	15.1%
	Operating income	6,568	2,375	3,925	6,300	- 4.1%
	%	9.9%	6.5%	9.9%	8.3%	
Materials Handling	Net sales <sup>*1</sup>	55,728	28,066	29,734	57,800	3.7%
	Operating income	799	-74	574	500	- 37.4%
	%	1.4%	—	1.9%	0.9%	
Other <sup>*2</sup>	Net sales <sup>*1</sup>	3,074	1,477	1,223	2,700	- 12.2%
	Operating income	-442	-265	-135	-400	—
	%	—	—	—	—	

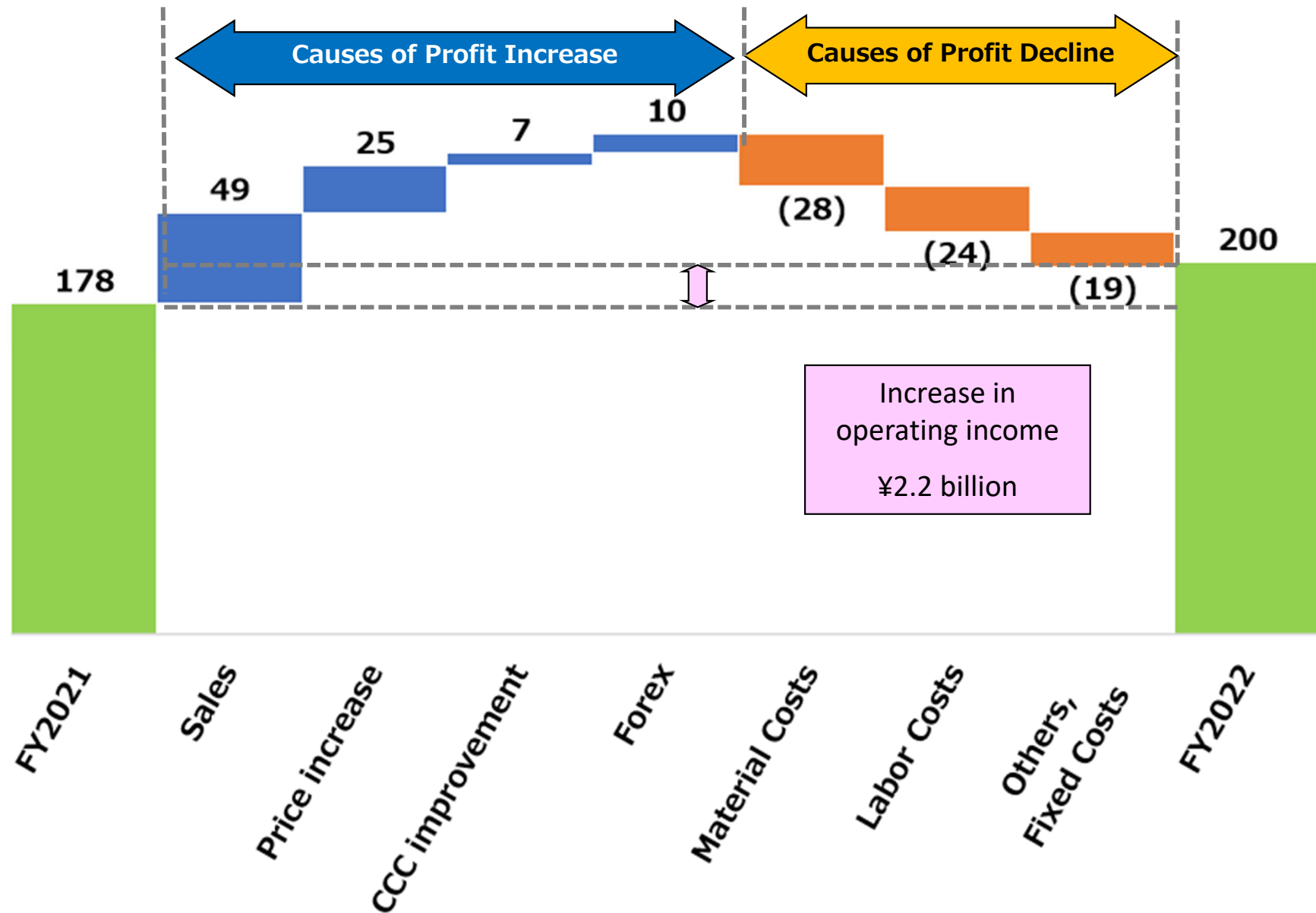
\*1: Sales figures include internal sales and transfers between segments.

\*2: "Other" is not a reportable segment.

# Analysis of Inc/Dec in Consolidated Operating Income

## FY2021 Actuals vs. FY2022 Forecast

(Unit: ¥100 million)

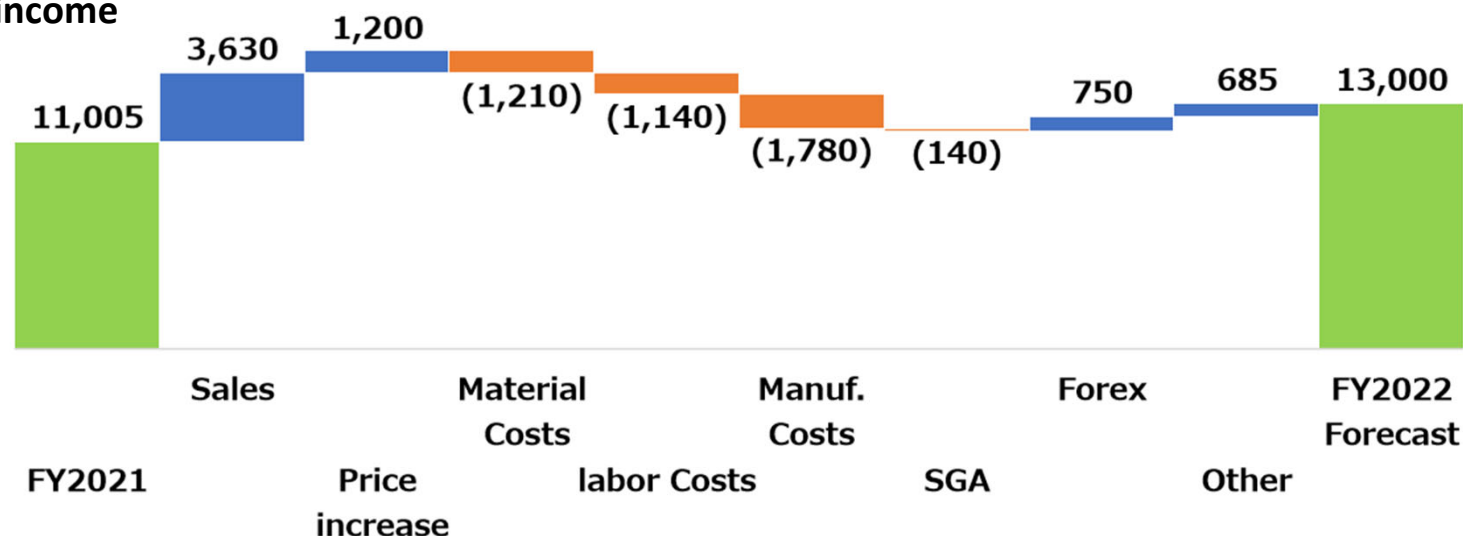


\*1: Sales figures include internal sales and transfers between segments.

(Yen, millions)

		FY 2021	FY 2022			YOY	Forecast (as of May 11, 2022)	
		Actual	1st half (Actual)	2nd half (Forecast)	Full year (Forecast)	Inc / Dec	Forecast	Inc / Dec
Chain	Net sales <sup>*1</sup>	74,174	43,609	43,891	87,500	18.0%	76,000	15.1%
	Operating income	11,005	6,285	6,715	13,000	18.1%	10,500	23.8%
	%	14.8%	14.4%	15.3%	14.9%		13.8%	

### Causes of change in operating income



#### 〈YOY〉

Although demand is expected to slow down slightly in the 2H, sales and income are expected to remain strong, especially in Japan and the Americas. We expect an increase in sales and income.

#### 〈Comparison with May 11 Forecast〉

Despite the increase in various costs, both sales and income were revised upward due to increased sales and the effect of price increase.

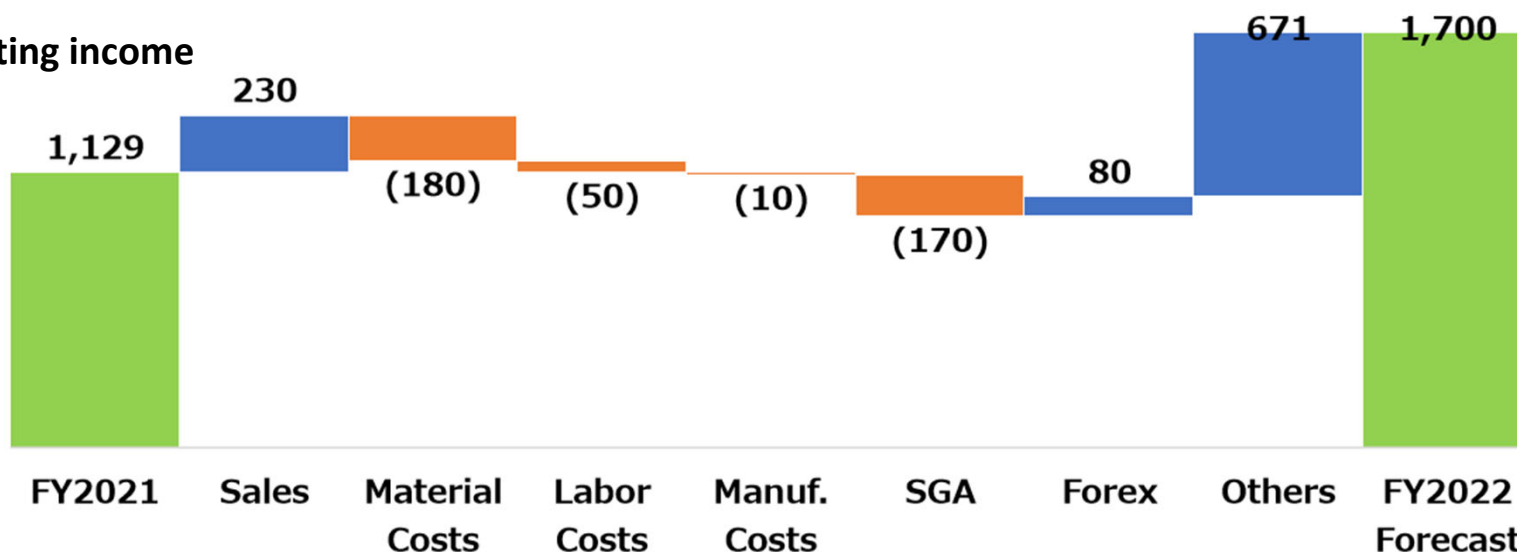
# 9. FY 2022 Motion Control Operations Forecast

\*1: Sales figures include internal sales and transfers between segments.

(Yen, millions)

		FY 2021	FY 2022			YOY	Forecast (as of May 11, 2022)	
		Actual	1st half (Actual)	2nd half (Forecast)	Full year (Forecast)	Inc / Dec	Forecast	Inc / Dec
Motion Control	Net sales <sup>*1</sup>	19,906	10,886	10,114	21,000	5.5%	23,000	-8.7%
	Operating income	1,129	745	955	1,700	50.6%	2,000	-15.0%
	%	5.7%	6.8%	9.4%	8.1%		8.7%	

## Causes of change in operating income



〈YOY〉

Based on the current order situation and other factors, although sales are expected to decline YoY in 2H, we expect to see an increase in the full year sales. Income is expected to increase due to production improvements and the effect of price increases.

〈Comparison with May 11 Forecast〉

Sales and income were both revised downward due to parts supply issues that will continue to affect the 2H.



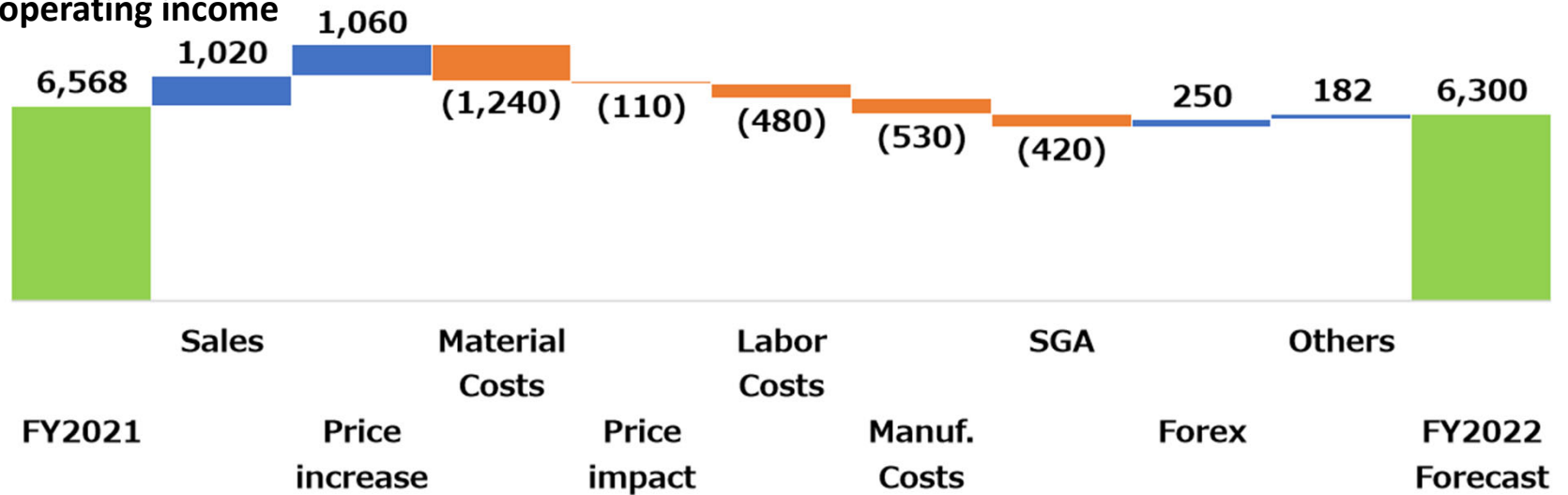
# 9. FY 2022 Mobility Operations Forecast

\*1: Sales figures include internal sales and transfers between segments.

(Yen, millions)

		FY 2021	FY 2022			YOY	Forecast (as of May 11, 2022)	
		Actual	1st half (Actual)	2nd half (Forecast)	Full year (Forecast)	Inc / Dec	Forecast	Inc / Dec
Mobility	Net sales <sup>*1</sup>	66,027	36,429	39,571	76,000	15.1%	78,000	-2.6%
	Operating income	6,568	2,375	3,925	6,300	-4.1%	7,800	-19.2%
	%	9.9%	6.5%	9.9%	8.3%		10.0%	

## Causes of change in operating income



〈YOY〉

Sales are expected to increase, assuming an increase in automobile sales. Income is expected to decrease as price increases in steel, plastics, and energy prices cannot be fully covered by price pass-throughs.

〈Comparison with May 11 Forecast〉

Sales revised slightly downward due to sluggish automobile production in the 1H. Income was also revised downward due to the significant impact of various cost increases.

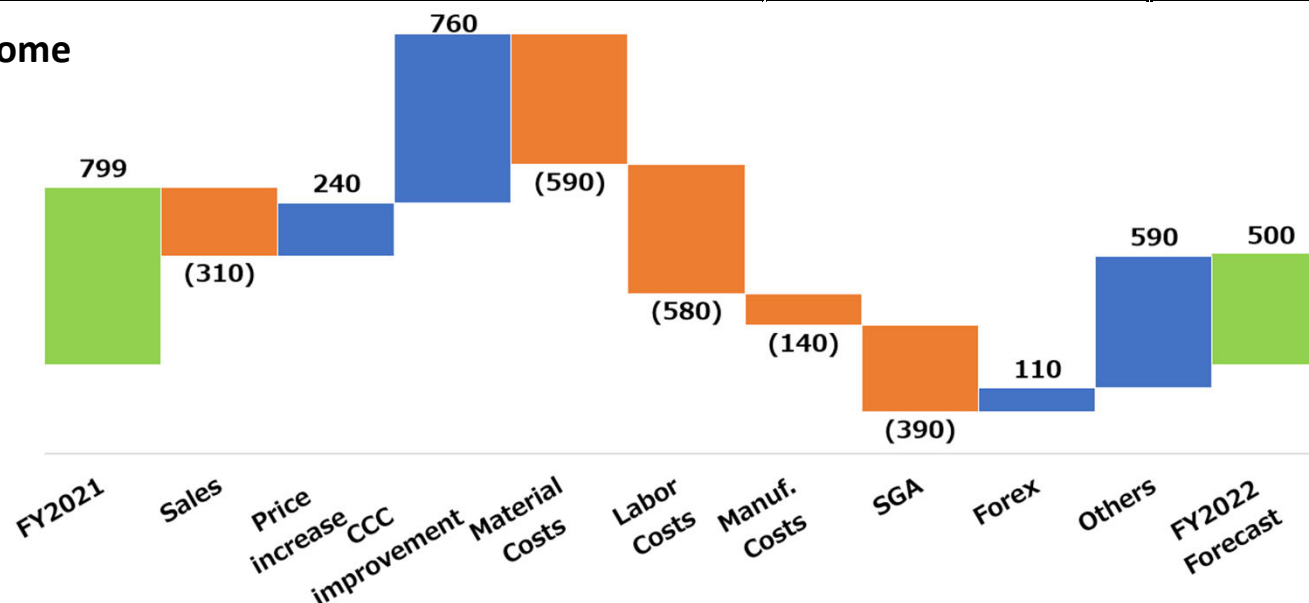
# 9. FY 2022 Materials Handling Operations Forecast

\*1: Sales figures include internal sales and transfers between segments.

(Yen, millions)

		FY 2021	FY 2022			YOY	Forecast (as of May 11, 2022)	
		Actual	1st half (Actual)	2nd half (Forecast)	Full year (Forecast)	Inc / Dec	Forecast	Inc / Dec
Materials Handling	Net sales <sup>*1</sup>	55,728	28,066	29,734	57,800	3.7%	64,000	-9.7%
	Operating income	799	-74	574	500	-37.4%	1,600	-68.8%
	%	1.4%	—	1.9%	0.9%		2.5%	

## Causes of change in operating income



### <YOY>

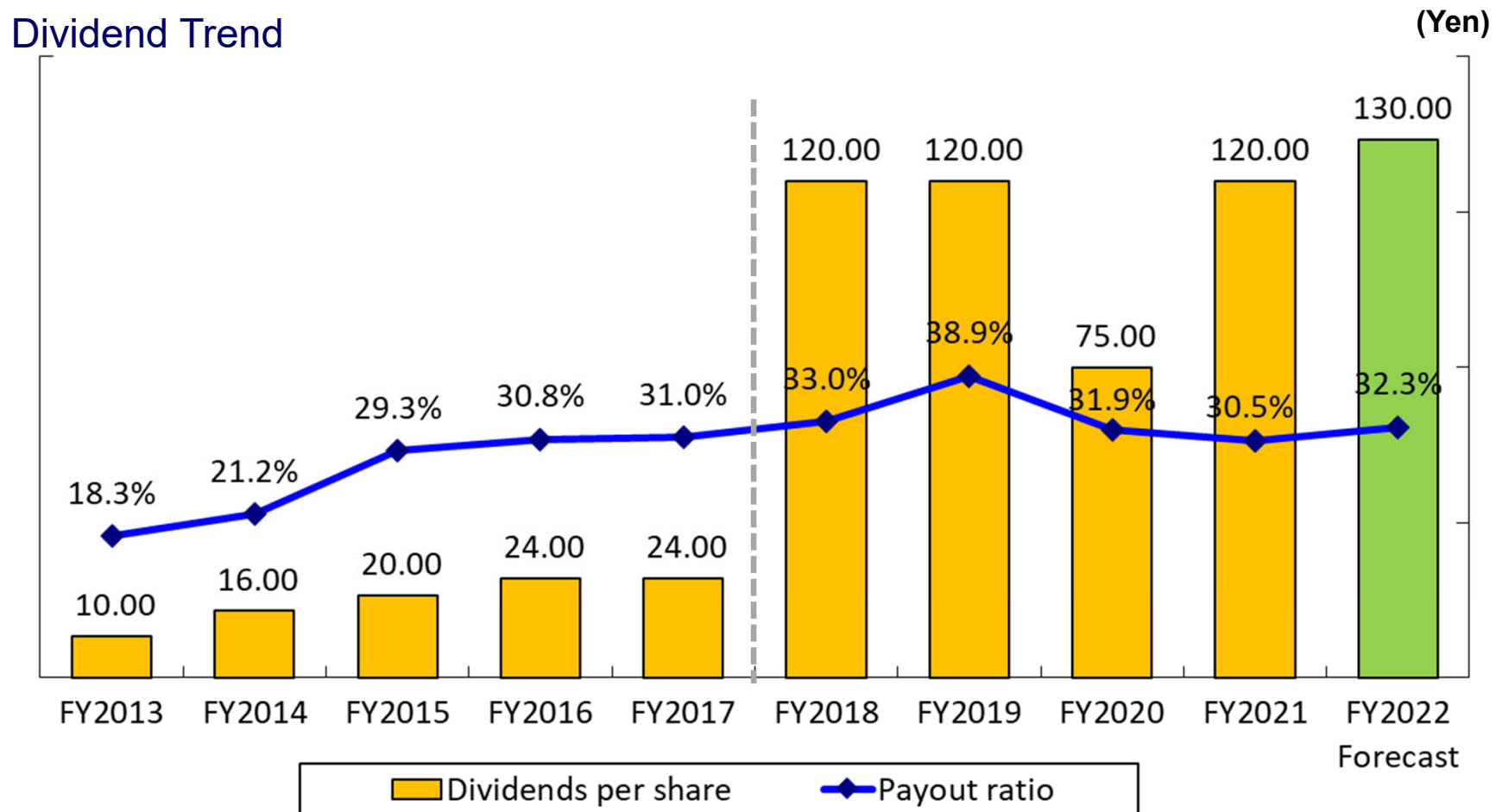
Sales and income are forecast to decrease due to lower sales of systems for the automobile industry in Japan and North America, and systems for the logistics industry in Japan.

### <Comparison with May 11 Forecast >

Sales and income were revised downward in order to reflect the current status of orders for this fiscal year's sales projects.

## ■ Dividend policy

- The company aims to maintain its profit distribution based on the consolidated dividend payout ratio of 30%, under a basic policy of reflecting consolidated results in the dividend.



\* A share consolidation was implemented on October 1, 2018. The dividend for the fiscal year ending March 31, 2019 was calculated after the consolidation.

---

---

# Topics

---

---

◆ Held "T-Startup" new business proposal contest



- 1. "New growth" in new fields and domains
- 2. "Innovative growth" in existing areas



Tsubaki invited proposals that lead to solutions to the "three social issues" to be addressed by Tsubaki.

◆ Held "T-Startup" new business proposal contest

## Commercialization

One project that passes the second screening will be started as a new business.

Board Members Examination

Second screening

Business plans will be created for ideas that pass the first screening. Presentations are made to the judges in the second round of screening.



Sept. 30. Application Deadline

Internal and External Judges

First screening

Support was provided for idea creation, and seminars on business creation were held. Employees were highly motivated, and a wide range of departments submitted new business proposals in a variety of fields.

Jun 30 ~ Sep 30  
Invited proposals

### ★ 3-Division Manufacturing Automation PJ

3 Main Project Divisions:

- Chain Division  
*LinK2025*
- Motion Control Division  
*Connect2025*
- Mobility Division  
*MAC2025*



◆ Creating Synergies Beyond Business Divisions

### 【 Factory Goals 】

- [Toward TSUBAKI-Manufacturing DX](#)

◀ Digitalization to revolutionize factories ▶

- [Toward Factory-Automation](#)

◀ Automation and manpower reduction ▶

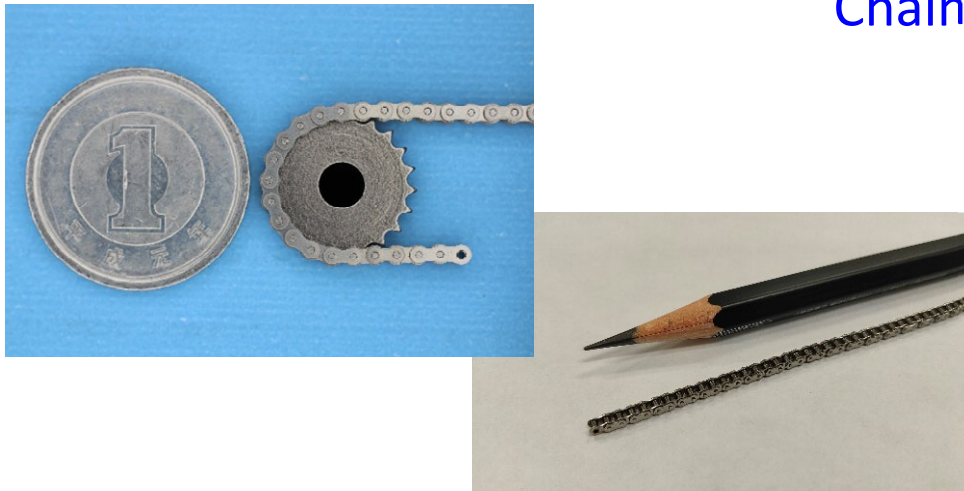
**“ Initiatives by Converging Business Units for the Development of TSUBAKI ”**

Cross-company support for 3 main PJ divisions

**(Materials Handling Division, R&D Center DX Technology Section, IT Department)**

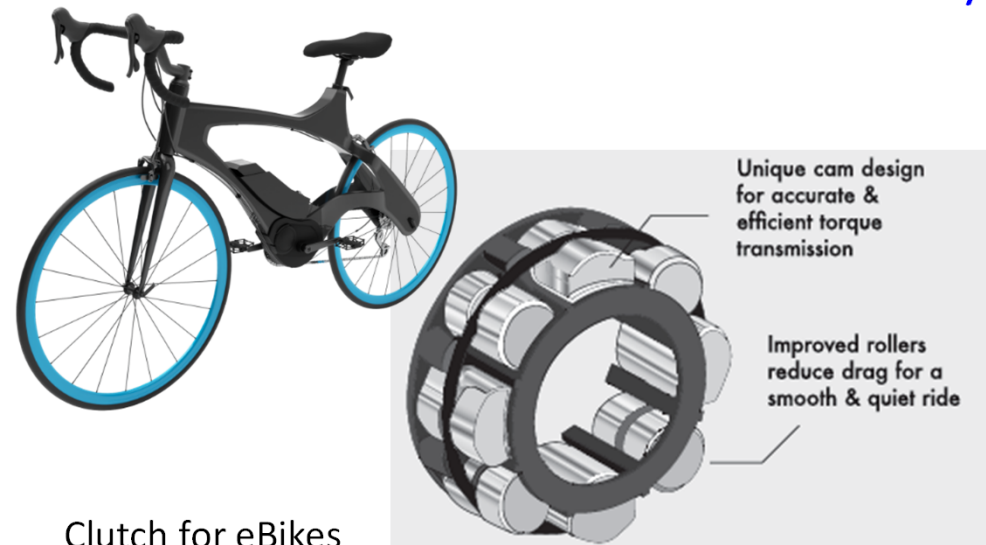


## Chain



World's smallest pitch power transmission chain  
「RS® Roller Chain (RS6)」

## Mobility



Clutch for eBikes

## Motion Control



DC Brushless Hypoid Motor and  
Dedicated driver for advanced speed control

## Materials Handling



Automatic picking system with 3D traveling cart  
「T- AstroX」



Ultra-low Temperature Automated Sample Storage System

Evolution and deepening of ultra-low temperature storage technology

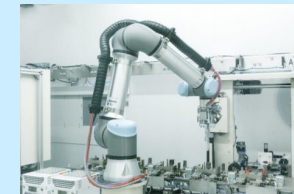


Refining Automation Technology



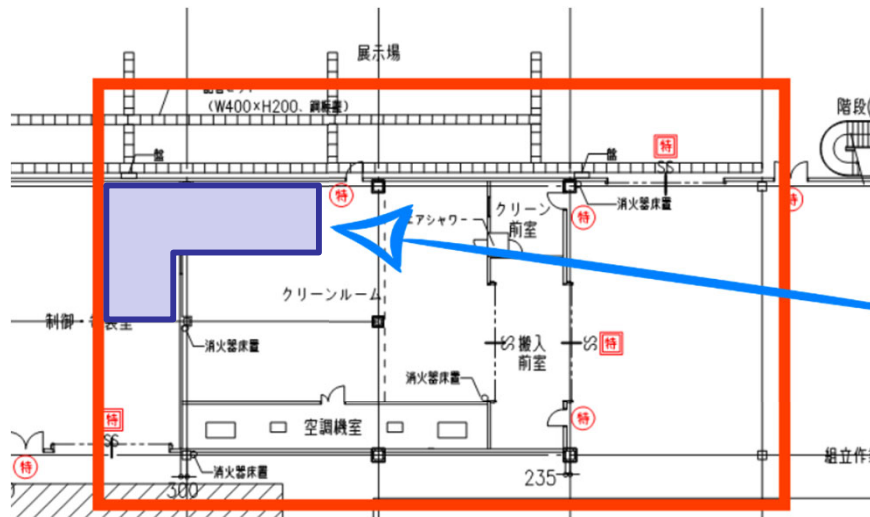
PCR automated testing equipment

From Container Handling to Bioprocessing



Automated extraction system for Plasma/DNA

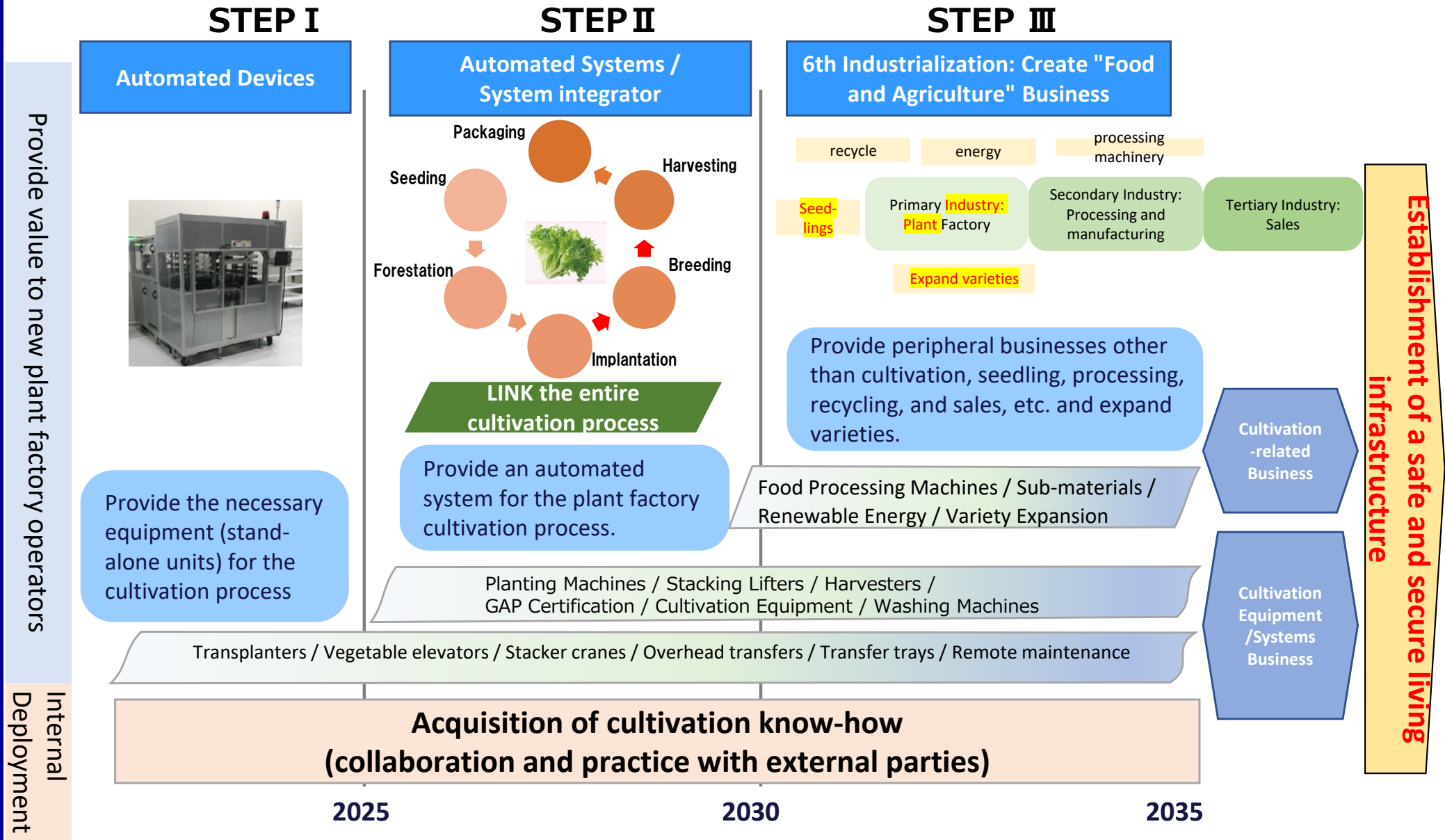
Developing cold chain automation technology to maintain the quality of cells and cell-derived products with the aim of delivering regenerative medicine when and where it is needed.



- Oct. 2021: Hired biotech specialists, launched regenerative medicine PJ
  - Dec. 2022: Set up lab in the clean room at Saitama Factory
- ⇒ **Established a structure of equipment and systems capable of evaluating biotechnology**



## Business expansion in plant factories with artificial light



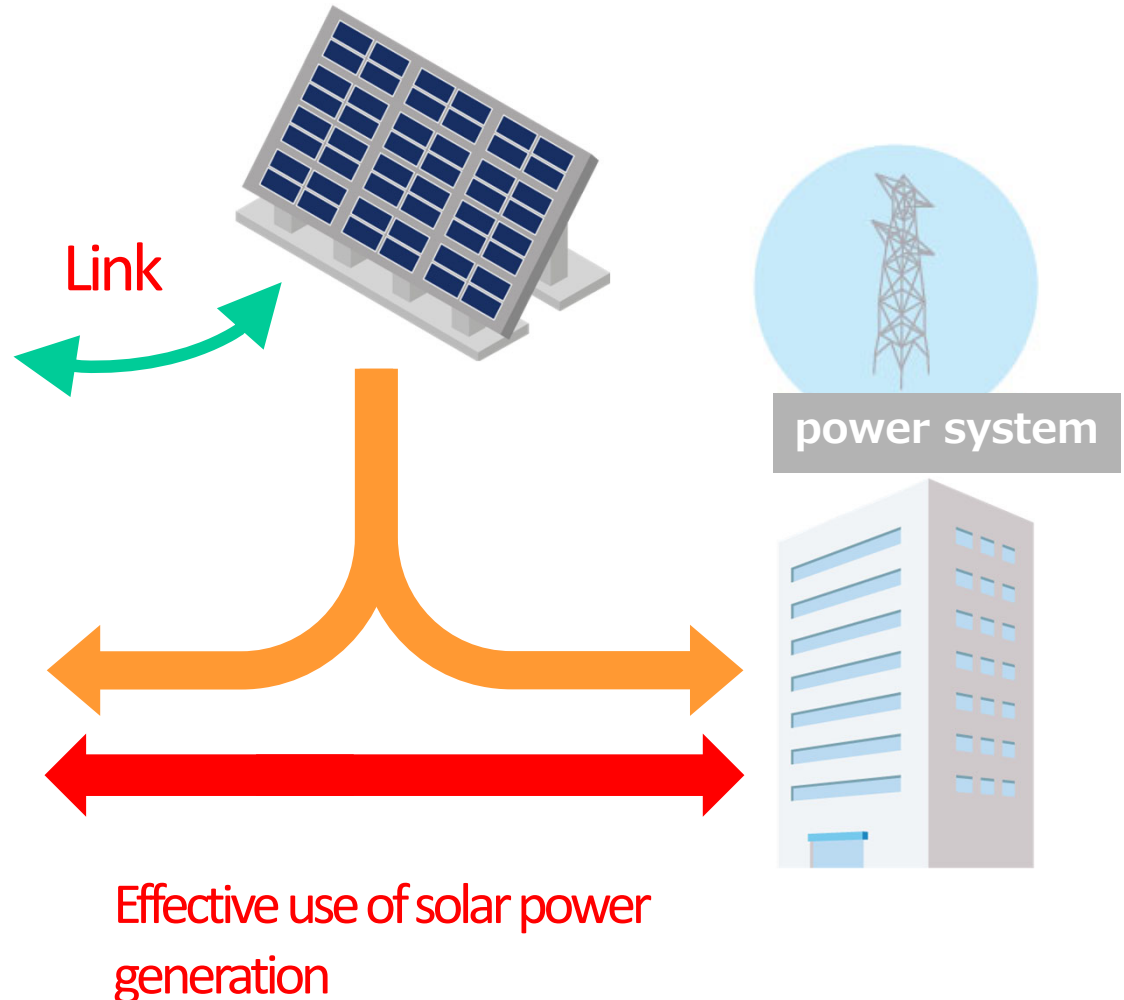


Contributing to the construction of next-generation energy and social systems to achieve carbon neutrality by optimizing the movement of information and energy through communication, control, and visualization technologies.

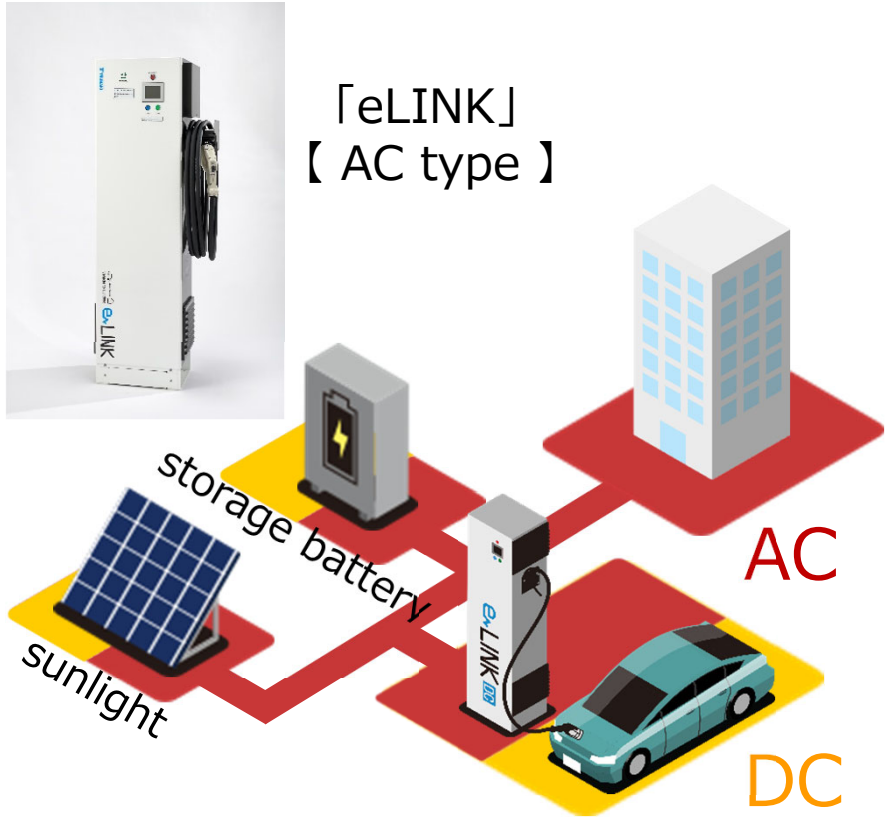
V2X compatible charging and discharging equipment



Capable of **charging and discharging** electric vehicle batteries



## 「eLINK」 line-up

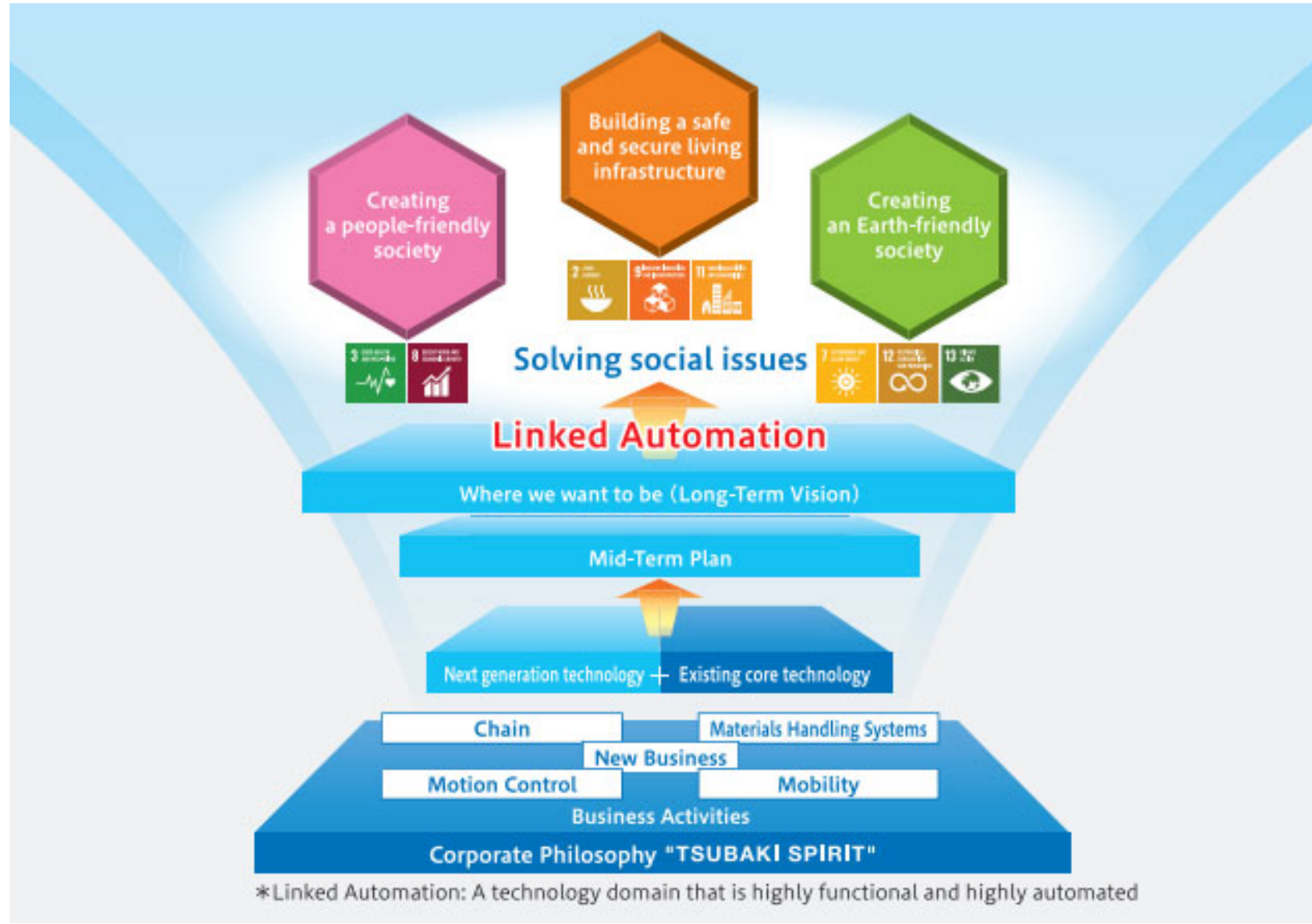


Converted to AC and supplied to buildings



High efficiency through DC connection

**Tsubaki's advantage is offering both AC and DC**



This reference document describes our business plans and our earnings outlook. The content of this document is based on current information available to our company and on certain assumptions determined as reasonable. It is not intended to represent a performance commitment.

Note that actual results may differ from the earnings outlook described herein, as the results are dependent upon a variety of variables.